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Senate Commerce Debates Domestic Content Legislation

The Senate Committee on Commerce, Science and Transportation (Robert Packwood, R, Oregon, chairman) began hearings on domestic content legislation (S. 707 in the Senate; H.R. 1234 in the House) before a packed house after months of delay. The bill, which would mandate significant domestic production of parts for automobiles sold in the United States, was approved by the House on November 3 by a 219-199 vote. The May 16 turnout demonstrated that despite rising automobile sales, economic recovery and higher employment in the domestic automotive industry, passions surrounding the controversial measure have not cooled and the bill's supporters are determined to continue their fight for passage even though the odds may be against it.

Witnesses during the nearly six-hour session represented Congress, the Reagan administration, labor interests, agricultural groups and automobile dealers. Arguments both for and against the bill were familiar. The

Trade and Payments Data
(in millions of dollars unless otherwise indicated)

	1982	1983	January-March 1983	January-March 1984	January 1984	February 1984	March 1984
Japan's Balance of Payments							
Trade Balance	$ 18,079	$ 31,454	$ 4,501	$ 7,645*	$ 290*	$ 3,126*	$ 4,229*
Exports (f.o.b.)	137,663	145,468	33,324	38,615*	10,126*	13,066*	15,423*
Imports (f.o.b.)	119,584	114,014	28,823	30,970*	9,836*	9,940*	11,194*
Current Account Balance	6,850	20,799	1,373	4,851*	-526*	2,010*	3,367*
Long-Term Capital (net)	-14,969	-17,700	-2,712	-5,937*	-1,738*	-2,231*	-1,968*
Overall Balance	-4,971	5,177	-308	-3,070	-2,383	-154	-533
International Reserves (end of period)	23,262	24,496	24,015	25,109	24,669	24,984	25,109
Japan's Customs Clearance Trade							
Trade Balance	6,900	20,534	1,741	4,539*	-835	2,179	3,195*
Exports (f.o.b.)	138,831	146,928	33,254	38,992*	10,200	13,244	15,548*
Cars	18,015	19,535	4,658	4,787*	1,646	1,693	1,448*
Steel	15,645	12,843	2,960	3,199*	908	1,025	1,266*
Imports (c.i.f.)	131,931	126,393	31,513	34,453*	11,035	11,065	12,353*
Crude Oil	46,274	40,063	11,502	10,855*	3,283	3,519	4,053*
Japan-U.S. Trade							
Trade Balance	12,151	18,181	2,970	5,826*	1,265	2,141	2,420*
Exports (f.o.b.)	36,330	42,829	8,603	12,503*	3,407	4,407	4,689*
Imports (c.i.f.)	24,179	24,648	5,632	6,676*	2,141	2,266	2,269*
Yen-Dollar Exchange Rate							
Tokyo Spot Market (end of period)	Y235.00	Y232.20	---	---	Y234.80	Y233.50	Y224.70
U.S.-Japan Trade							
Trade Balance	-16,778	-19,289	-4,482	-7,311	-2,760	-1,821	-2,730
Exports (f.a.s.)	20,966	21,894	4,806	5,695	1,854	1,813	2,028
Industrial Supplies	9,173	8,734	2,051	2,225	724	726	775
Food and Feed	4,971	5,555	1,160	1,477	525	439	513
Capital Goods	4,434	5,116	1,021	1,336	391	435	510
Consumer Goods	1,356	1,394	339	355	109	119	127
Imports (Customs)	37,744	41,183	9,288	13,006	4,614	3,634	4,758
Automotive Products	12,890	14,919	3,469	4,207	1,515	1,121	1,571
Industrial Supplies	6,795	5,391	1,257	1,779	609	568	602
Consumer Goods	7,842	8,296	1,846	2,517	868	705	944
Capital Goods	9,530	11,896	2,562	4,295	1,547	1,172	1,576

*Preliminary

Japanese Economic Indicators

(percentage change from year-earlier period unless otherwise indicated)

	1982	1983	January-February 1983	January-February 1984	December 1983	January 1984	February 1984
Discount Rate (end of period)	5.5%	5.0%	5.5%	5.0%	5.0%	5.0%	5.0%
Outstanding Money Supply	9.2%	7.4%	7.6%	7.7%	7.6%	7.6%	7.8%
Industrial Production	0.3%	3.6%	-1.4%	11.2%	9.6%	10.0%	12.4%
Manufacturing Operating Rate	-2.9%	1.6%	-3.4%	10.0%	8.9%	7.7%	12.3%
Number of Bankruptcies	-2.8%	11.9%	2.9%	21.1%	16.6%	19.3%	22.8%
Residential Construction Starts	-0.5%	-0.8%	12.2%	-4.3%	6.9%	-11.7%	2.8%
Job Openings to Applications (ratio)	0.61	0.60	0.59	0.65	0.63	0.64	0.65
Nominal Wages	4.5%	3.5%	5.9%	3.6%	3.0%	3.3%	3.8%
Labor Productivity	1.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wholesale Prices	1.8%	-2.2%	-0.4%	-1.3%	-2.2%	-1.4%	-1.3%
Consumer Prices	2.7%	1.9%	1.9%	2.4%	1.8%	1.8%	2.9%
Yen-Based Export Prices	3.9%	-6.0%	-4.5%	-0.6%	-3.1%	-1.0%	-0.2%
Yen-Based Import Prices	7.9%	-7.8%	1.2%	-6.7%	-9.5%	-6.5%	-6.8%

For Japan's most recent GNP figures, see JEI Report No. 13B, March 30, 1984.

STATISTICAL SUPPLEMENT